



**Environmental
and Social
(E&S)
Approach**

March 2020

E&S APPROACH

Since 1980, Herbalife Nutrition has been on a mission to improve the nutritional habits around the world with great-tasting, science-backed nutrition products that help people get the right balance of healthy nutrition.

We offer a full line of great-tasting nutrition products that can be customized to meet individual needs and help consumers achieve their unique wellness goals. These products include meal replacement protein shakes, protein bars, teas, aloe, vitamins, sports hydration and other nutrition products, all backed by science. Herbalife Nutrition has been recognized as the number-one brand in meal replacements, protein supplements, and weight management by Euromonitor International, a leading market research firm.

Our products are available exclusively through educated and trained Herbalife Nutrition independent Members who provide comprehensive and personalized solutions to their customers' nutrition and wellness goals. These solutions offer consumers a means to achieve results personalized for them in the areas of weight management, health and wellness, and sports nutrition.

Beyond these product solutions, our direct selling business model provides an attractive entrepreneurial opportunity for millions of individuals. By owning and operating their own business, Herbalife Nutrition independent Members have the ability to increase personal economic empowerment, which, in turn, helps to build stronger and more stable and vibrant communities.

Our Journey

Herbalife Nutrition is committed to operating its business in a socially responsible manner, incorporating social impact, environmental stewardship and transparent governance practices throughout its operations. We view our work in this critically important area as a journey and appreciate the need to be relentless; never being satisfied with the status quo and always striving for continued improvement.

While we have always been committed to working in a socially responsible manner, and we have many applicable initiatives completed, underway or planned, we recognize the need to institutionalize our programs into a formal ESG strategy and be transparent about our standing.

Accordingly, we are in the process of conducting a materiality assessment in the first half of 2020 to identify and prioritize ESG issues that have the most impact on our business and stakeholders. Our intent through the remainder of 2020 and beyond is to build on these insights to develop an ESG strategy that can be operationalized globally and to provide a disclosure framework that communicates our practices in a transparent manner.

This work will be built upon a solid foundation already in place that includes:

- Philanthropic, social impact, and corporate social responsibility programs that yield measurable results, focusing on nutrition and creating vibrant, thriving communities.
- Environmental initiatives that will yield substantial and meaningful impacts for communities
- Responsible business practices and policies.

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CORPORATE SOCIAL RESPONSIBILITY, PHILANTHROPY AND SOCIAL IMPACT

The Company and the Herbalife Nutrition Foundation (HNF) are dedicated to improving the lives of communities around the world by providing healthy nutrition and nutrition education to children and communities in need.

While our social impact strategy prioritizes partnership and programs focused on nutrition, we support numerous leading organizations that focus on additional areas to improve and empower thriving communities. Our partners support often-underserved communities through critical areas including leadership development, public education, access to arts, STEM education, reducing homelessness to helping families cope with the ravages of child drug addiction.

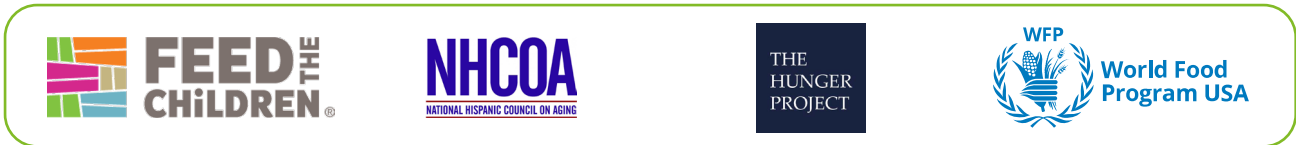
Herbalife Nutrition has been recognized for significant contributions to supporting communities. In 2019, the Company received more than a dozen awards for our corporate social responsibility achievements and impact.

Corporate Philanthropy

As a premier global nutrition company, Herbalife Nutrition is helping tackle global challenges including eradicating hunger through an initial \$2 million investment in our Nutrition for Zero Hunger initiative. In partnership with global nonprofits, NGOs, government and strategic organizations the program supports:

- Increased access to healthy foods
- Community development programs focused on sustainable food security
- Nutrition education programs and resources

The program is umbrella in nature that combines many different partnerships, activities and programs customized to regional market needs. Nutrition for Zero Hunger aligns with the United Nation's Sustainable Development Goal #2 – Zero Hunger.



As a part of the Nutrition for Zero Hunger initiative, Herbalife Nutrition partners with more than 10 leading nonprofits including global organizations such as World Food Program USA, Feed the Children and The Hunger Project. Nutrition for Zero Hunger partners support more than 114 million people annually across 120 countries worldwide.

As a part of our larger corporate social responsibility strategy, Herbalife Nutrition supports leading organizations that promote health and wellness for underserved and vulnerable populations. For example, for more than 20 years we have supported various Red Cross organizations around the globe in helping them provide positive nutrition and other services to communities devastated by disaster. Just in the U.S., in the last five years the Company donated more than 1.1 million Protein Deluxe Bars, valued at \$2 million, to 120 Red Cross blood donation centers. Since 2006, blood donations from more than 60 Company-hosted blood drives, combined with the donations collected on the Herbalife Nutrition-branded bloodmobile that covers Southern California, have saved countless lives.

In addition to financial and professional assistance, we encourage employees to become involved and participate in volunteer and service activities in their local communities and compensate volunteer time. Compensation ranges from 16 hours for full-time employees to 8-12 hours for part-time employees.

Global Month of Purpose 2019

11,150 Employee Volunteer Hours

1,800 Employees Participated

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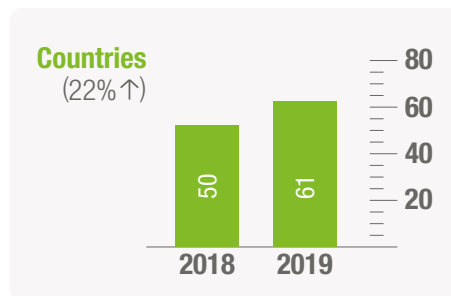
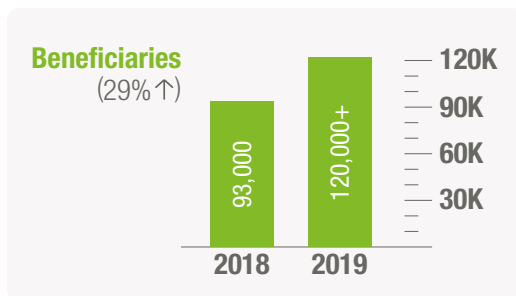
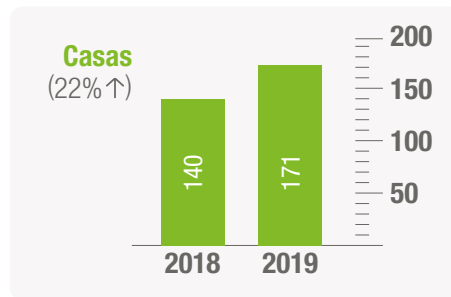
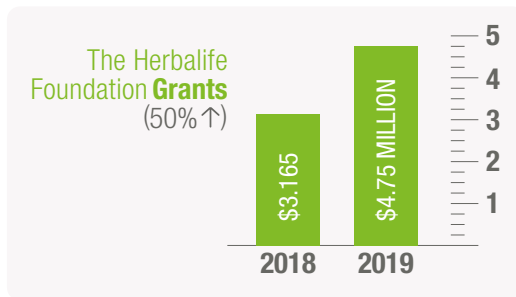
We also leverage the power of our diverse global community of employees and millions of Members worldwide. This community comes together during our annual “Global Month of Purpose,” in which we create opportunities for individuals to volunteer in underserved communities around the globe.

For more than 35 years, Herbalife Nutrition has proudly supported Hispanic and Latino organizations that promote nutrition, health and wellbeing and empower opportunities. In 2019, the Company supported more than a dozen of these organizations, including UnidosUS and League of United Latin American Citizens (LULAC) national and regional chapters. In addition to financial donations, we support various programs including nutrition, health and fitness resources, mentoring, human rights, gender equity and advocacy as well as provide in-kind donations of nutrient-dense products.

Herbalife Nutrition is a member of LULAC’s national Women’s Commission to further drive discussions and actions to promote women’s empowerment and gender equity issues. We also demonstrate our commitment to advance Hispanic diversity and inclusion in the workplace as a member of the Hispanic Association on Corporate Responsibility (HACR) since 2014.

Herbalife Nutrition Foundation

Established in 1994, HNF supports over 170 community-based Casa Herbalife Nutrition partners around the globe that help bring good nutrition to socially vulnerable communities and aid to organizations focused on promoting access, education and empowerment of good nutrition and general wellness. In 2019, HNF granted \$4.75 million to Casa Herbalife Nutrition partners, a 50% increase in grants from 2018.



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Product Stewardship

A brand strength is the efficacy, quality and safety of our global product portfolio. Nearly 5 million Herbalife Nutrition meal replacement shakes, as well as other nutrition products, are consumed every day around the world and all are held to a uniform global standard for quality and compliance with government regulations across 94 markets. The Company has invested \$300 million in manufacturing and quality programs to ensure the highest quality products. In 2019, Herbalife Nutrition was recognized with more than a dozen awards for quality, efficacy, brand value, innovation and consumer trust.

These global programs encompass:

300+ Staff Scientists, 50+ of whom are PhDs

6 R&D Facilities

ISO 17025

151 Testing Methods

7 Quality Labs

NSF Certified Testing Protocols

We seek to provide the highest quality products to our Members and their customers through our “seed to feed” strategy, which includes significant investments in quality ingredients from traceable sources, scientific personnel and rigorous product testing.

Responsible Supply Chain

Our seed to feed strategy is rooted in using quality ingredients from traceable sources. We only work with suppliers who share our standards for product quality and efficacy and support our mission for the best nutrition and weight management products in the world. Our Supplier Code of Conduct focuses on three key areas: social and human rights; high quality products and safe environment; and, compliance, governance and integrity.

As with our product quality philosophy, we view our environmental footprint through a product lifecycle lens that extends from seed to feed and are focused on three key areas:

ENVIRONMENTAL INITIATIVES

As with our product quality philosophy, we view our environmental footprint through a product lifecycle lens that extends from seed to feed and are focused on three key areas:



Sourcing



Operations

Corporate,
Manufacturing,
Distribution



Packaging

We have formed a Green Council Committee comprising employee volunteers from each of our operating regions to review current projects, identify opportunities and innovations related environmental initiatives throughout the Company. Their work is focused on responsible environmental stewardship, meeting the needs of both Herbalife Nutrition independent Members and their customers; and regulations around the world. Currently, we have numerous active environmentally sustainable projects around the globe.

Environmental Impact of Plant-Based Protein

Food requirements are expected to double by 2050 when the global population surpasses 9 billion. Protein requirements alone will increase 74 percent. With animal-based protein a major contributor to greenhouse gas emissions, we believe it is imperative to provide convenient, affordable and sustainable sources of protein. The number-one ingredient in many of our products is plant-based protein derived from soy, including the majority of formulations of Formula 1, our flagship product.

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This sustainable plant-based protein is grown and farmed with fewer environmental resources per acre than animal protein. Soy requires less land and water and emits less carbon than animal-based protein.

Operations

Within our manufacturing footprint, we have identified and continue to identify carbon emission and resource conservation projects, many of which deploy technology and/or operational efficiency initiatives.

- We have utilized technology in our manufacturing operations that allows for significantly faster production than the industry standard, using less electricity and resources.
- We have expanded molding capacity with our plants to eliminate 1.3 million kilometers of shipments between manufacturing sites and avoid 1.25 metric tons of CO2 annually.
- We have transitioned from paper to digital rule books which contain comprehensive guidelines, policies and codes of conduct for all Herbalife Nutrition Members in 39 countries. To date, we have saved 328 US tons of paper annually, equivalent to 26 acres of carbon-sequestering trees annually, and plan to eliminate paper rule books in 24 additional countries by the end of 2020.
- We have reduced cardboard and plastic used for shipping in EMEA, eliminating 12,500 kg of cardboard.
- We have eliminated 5.2 million plastic bags since 2018.

Packaging

We have also focused on reductions in single-use plastics and plastic bags in our product packaging and distribution. These reduce, reuse, recycle initiatives have yielded the following results:

- Plastic Reduction in Formula 1 Canisters
1,400,000 kg of plastic removal since 2015
- Canister Recycling Programs in Sales Centers
200,000 kg of plastic recycled since 2013

These efforts illustrate some regional pilot programs with demonstrated results. We intend to expand these programs across additional markets to further drive our global efforts for environmental stewardship.

RESPONSIBLE BUSINESS PRACTICES AND POLICIES

Herbalife Nutrition is a purpose-driven organization that operates its business on a set of important, yet simple straightforward principles:

We always do what's right.

We work together.

We build it better.

These values manifest themselves through our more than 9,500 employees worldwide, for whom we strive to provide a workplace that nurtures collaboration, innovation, continuous improvement, diversity and inclusion, personal development and a commitment to wellness.

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We promote these values with our approximately 4.7 million Members, including preferred members and independent Members. We proudly support an entrepreneurial opportunity grounded on solid business skills and responsible business practices. We consistently expand the methods we use to engage and train Members, from online webinars to in-person conferences and seminars that further build their skills and translate their expertise into opportunities – both for the customers they serve and themselves. Herbalife Nutrition maintains a global distributor compliance team that seeks to ensure all distributor activities align with the rules of conduct. This is achieved not only through education, but via smart proactive monitoring of Distributor activity and effective enforcement with the net effect being a sustainable business for Members.

Ethics and Compliance

We are committed to the highest standards of ethics, integrity, and corporate conduct, which are promoted through our Ethics and Compliance Office. Our Ethics and Compliance Program serves a critical role in promoting and advancing a culture of ethics and compliance that is consistent with the [**Herbalife Nutrition Code of Business Conduct and Ethics \(“Code”\)**](#), government guidelines and all relevant laws in the countries where we conduct business. Because our Members are the face of Herbalife Nutrition to millions of consumers around the world, we also have a dedicated function to ensure the ethical behavior of our distributor base.

To ensure that employees are up to date on current ethics and compliance policies and practices, Herbalife Nutrition provides mandatory annual training to employees. In 2019, 100% of all Herbalife Nutrition employees around the world completed ethics and compliance trainings. As part of this training, we encourage anyone associated with our business who has an ethics concern to communicate with us through a global hotline, operated by an independent, third-party.

Moreover, to further engage and educate employees on current ethics and compliance policies, guidelines and available resources, the Company shares regular communications on these topics from our senior leadership and global executive team to engage employees. Herbalife Nutrition designates an annual campaign showcasing our ethics and compliance with interactive broadcasts, Q&A sessions and strategic communications to employees.

Our Board of Directors oversee our Ethics and Compliance policies and procedures with direct, autonomous oversight to ongoing work. Julia Bailey, SVP Counsel, Chief Compliance Officer, who leads our global Ethics and Compliance team, reports directly to the Chair of the Audit Committee of our Board of Directors. In addition, our Board of Directors receive training on all current Ethics and Compliance practices and consistent updates on Ethics and Compliance programs and developments.

Privacy & Data Protection

Herbalife Nutrition collects and uses personal information. The Company has established policies and procedures that govern how we handle such personal information. These are made available to all employees through a Privacy Policy Library and Cybersecurity Policy Library available on our employee intranet.

Employee Benefits and Professional Development

We help our employees develop and succeed in their careers through a variety of initiatives that support them individually and as teams. Among these initiatives are:

- Continuous performance feedback, as well as formal periodic reviews that help employees be more aware of their strengths, areas for improvement and progress toward objectives and goals.
- A tuition reimbursement program that offsets the cost of higher education and that is available to both full-time and regular part-time employees.
- Various classroom, online and outsourced trainings, and sponsored team-building events.

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- An attractive benefits portfolio that promotes employee physical and financial wellbeing. Features include a range of health insurance plans, a 401k plan and an employee-stock purchase plan.
- A wellness incentive program designed to promote a healthy active lifestyle through education, disease prevention and early diagnosis.

Equal Opportunity & Diversity

Our culture seeks to nurture diversity and inclusion in order to reflect our global distributor base and their customers. We are committed to providing equal employment opportunity to all applicants and employees without regard to race, color, religion, national origin, sex, sexual orientation, age, marital, military or veteran status, physical or mental disability.

In addition to promoting diversity in the workplace, Herbalife Nutrition leadership, including the composition of our Board of Directors, exemplifies our commitments. Currently Herbalife Nutrition Board of Directors includes 46% ethnically diverse Directors and 15% women Directors. Herbalife Nutrition Executive Chairman Michael O. Johnson was recognized by the Latino Corporate Directors Association (LCDA) for commitment to Board of Directors diversity, receiving the Corporate Visionary Award in 2017.

Occupational Health and Safety

Herbalife Nutrition is committed to providing everyone associated with our operations a safe and healthy work environment. Every effort is made to protect workers with safety measures commensurate with our work and that comply with state and federal regulations. Our safety program is intended to help prevent accidents and injuries; increase safety awareness; meet environmental/occupational health and safety laws and regulations; and establish standard safety responsibilities for all employees. These goals are addressed through an Injury and Illness Prevention Program policy.

Awards received for Herbalife Nutrition Corporate Social Responsibility in 2019:

Country	Awards/ Recognition
Korea	Grand Award at the Add Happiness CSR Awards in the community contribution category, presented by the Association of Korean Journalists and Korea Employers Federation
Korea	Appreciation Plaque from Diabetic Association of Korea
Korea	Grand award at the 2019 KCCI-Forbes CSR Award in the children's welfare category, presented by the Korea Chamber of Commerce and Industry and JoongAng Ilbo
Korea	Grand prize at the 13th National Sustainability Management Conference Award , in the quality innovation category, hosted by Association of Korean Journalists and sponsored by government ministries
Korea	Grand prize at the 2019 Best Management Awards - social contribution category, hosted by Chosun Ilbo and sponsored by government ministries
Vietnam	AMCHAM CSR Recognition Award , presented by AMCHAM
Malaysia	AMCHAM CARES Certificate of Recognition for Excellence in Corporate Social Responsibility (CSR)
Thailand	AMCHAM CSR Recognition Award , presented by AMCHAM
Vietnam	Saigon Times CSR Merit Award 2019 , presented by Saigon Times Group
Thailand	Best Practice Award , presented by Phra Dabos Foundation
Mexico	Empresa Familiarmente Responsable (Family Responsible Company) from the Employee and Social prevision. Ministry to those companies that have good practices in favor or the employees and its balance job and family.
Mexico	Empresa Socialmente Responsable (Social Responsible Enterprise) from the The CEMEFI (Mexican Center for Philanthropy) We have obtained the distinctive for 9th consecutive years for the good CSR, sustainable, and ethical practices.
Mexico	Herbalife Nutrition Mexico obtained position 13th in the Mundo Ejecutivo Magazine ranking of 50 Leaders in Social Responsibility Business magazine
Mexico	Herbalife Nutrition Mexico received the 32th spot of 100 top companies ranking of expansion, business in Super Empresas Expansion Magazine.
Bolivia	The Rotary Club Chuquiago Marka institution annually organizes the largest event to recognize business performance in the country. In the nineteenth version of the "Paul Harris Business Excellence Award" Herbalife Nutrition was chosen to receive the award in merit of Corporate Social Responsibility. The award recognizes the efforts made in CSR Programs that are registered and evaluated by seminar at the national level: "Nueva Economía"